

# WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES SEPTEMBER 2002



## August is a bit of a Surprise

The surprise in this month's labor force figures for counties all over the State of Wisconsin is that unemployment rates did not decrease as expected this month. Perhaps nothing should ever truly be surprising, and some counties did perform as usual for this time of year, but August's labor force performance in the Southeast region causes one to do a bit of a double-take at first glance.

The not seasonally adjusted unemployment rate for **Walworth County** rose two-tenths of a percent point to 4.0 percent in August. This was one of the regional surprises as it was thought that the rate would dip about four-tenths of a point as the last decade's trend has usually dictated. August figures show 530 fewer residents employed and 100 more unemployed. Usually Walworth does not see dramatic monthly increases in the number of unemployed until well into the fall months as seasonal/tourism employment subsides. Previous year comparisons show Walworth's rate is six tenths of a point higher than last August's, negating July's annual increase of only one-tenth of a point. 1,850 more Walworth residents are employed, annually, but 430 more are unemployed as well.

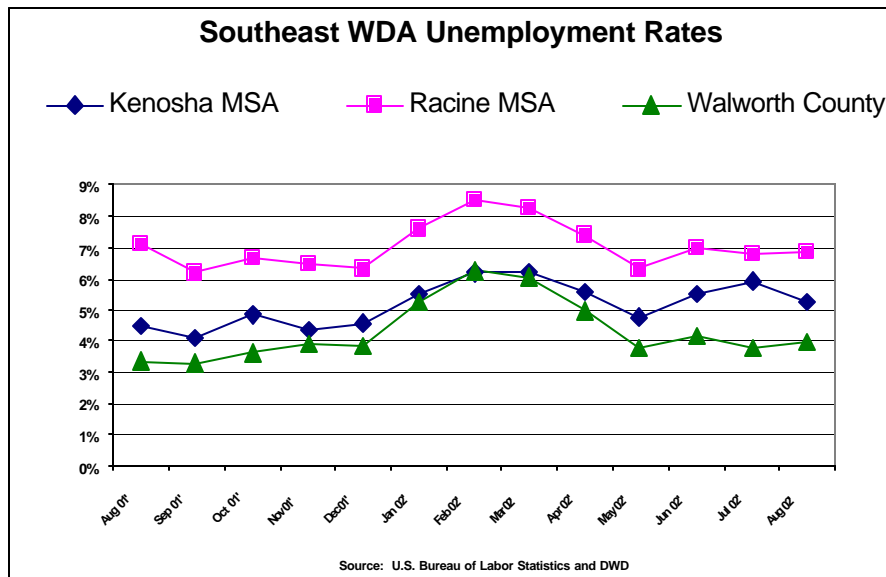
Monthly industry figures in Walworth show fewer jobs in retail trade, services and FIRE. These slight dips were not as heavy as last August's shedding and not as really out of realm for this month as many of the summer jobs begin to wind down in early August, especially those filled with students whose work activity can be very volatile at this point in the summer. Manufacturing employment jumped upwards by 60 jobs as nondurable goods producers hire more workers at the end of summer. Over the year figures show growth of 2.1 percent in total nonfarm employment, which is much faster than the state's rate of growth. The only industries to show an annual deficit are manufacturing (-310 jobs) and wholesale trade (-20 jobs).

The **Racine MSA** not seasonally adjusted unemployment rate registered 6.9 percent in August, up slightly, one-tenth of a point (rounded) from July. Labor force data show a monthly decrease of 560, that is, 560 fewer in the employed category since July. The unemployment rate is actually a bit lower than the August 2001 figure by about three-tenths of a point (rounded) but it is still high by historical August figures, which tended to average in the five percent range. Racine has averaged a drop of seven-tenths of a point over this July to August period, given the 1991-2001 timeframe; not so this year.

Racine County nonfarm employment increased by 410 total jobs over the month bolstered by a 240 job gain in the durable goods producers. Except for a slight loss in May, manufacturers have added employment every month since March. Manufacturing has even increased in employment from the year ago figure for the first time since October of 1998, though the employment levels are still lower than they were in 1998. The only industries to show

a monthly decrease in employment are retail trade and TCPU which combined for a 120 fewer jobs in August. Annually, besides the better news in manufacturing, all industries except wholesale trade gained jobs. It is only reasonable to assume that if manufacturing keeps a better pace in employment, that wholesale trade will as well. Services, government and construction combined for a little over 1,000 job growth since August 2001.

The Unemployment rate in the **Kenosha MSA** showed the typical seasonal patterns, to a degree, that the other two regional counties and the State of Wisconsin, did not. The not seasonally adjusted rate dropped eight-tenths of a point over the month to 5.2 percent with 960 more employed and 610 fewer unemployed. Usually the rate drops much steeper than this—about 1.6 points, but the pattern is still encouraging. The annual view shows 710 more unemployed since last August and despite the fact that 1,840 more are employed, the unemployment rate is seven-tenths of a point higher than at the same time in 2001.



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Industry performance has certainly rebounded from July's losses. August has posted an additional 1,190 total jobs since July with 1,010 of them in the manufacturing sector, which is a fairly sizable and yet, expected gain for this month in this industry; more specifically the gain was in transportation equipment production. Construction employment decreased slightly over the month, but is still at historic levels as the commercial and residential projects keep up their health pace.

August to August data gives one the best economic outlook over the year and Kenosha County has shown only the slightest of growth, with 450 new jobs, total, showing a scant rate of increase of about 0.8 percent, yet it is still growing faster than the state rate of about 0.4 percent. The services industry continues to be a point of concern as it has continued to show an

annual deficit for the eighth straight month as most of this is probably tied to the personnel supply firms and the temp agencies that have seen the demand for their employees diminish in light of the manufacturing slowdown. Services employment shows 600 fewer jobs than in August 2001 and the gap seems to be widening a bit as the months roll along. The tie in to manufacturing is fairly evident as the annual gaps began at about the same time that manufacturing employment began to show signs of weakening around July of 2000. Temporary workers were the first to be let go and these workers have seen peaks and valleys of manufacturing employment since. The "buzz" nationally is that temporary services have experienced increased requests for personnel in the last six months.

August 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA
<b>Civilian Labor Force*</b>	3,089,606	83,581	96,528	57,106	237,215
Persons Employed	2,942,854	79,215	89,906	54,848	223,969
Persons Unemployed	146,752	4,366	6,622	2,258	13,246
Unemployment Rate	4.7%	5.2%	6.9%	4.0%	5.6%
<b>Total jobs of all non-farm industries**</b>	2,850,493	54,363	82,551	43,429	180,343
<b>Goods Producing Jobs</b>	716,949	14,586	25,689	11,627	51,902
<b>Service Producing Jobs</b>	2,133,544	39,777	56,862	31,802	128,441
Construction & Mining	139,784	3,035	4,141	2,402	9,578
All Manufacturing	577,165	11,551	21,548	9,225	42,324
Transportation, Communications & Public Utilities	129,975	1,968	2,527	1,643	6,138
Wholesale Trade	138,585	2,386	3,035	1,476	6,897
Retail Trade	514,439	11,524	14,696	8,410	34,630
Finance, Insurance, and Real Estate	154,635	1,406	2,451	1,516	5,373
Services	813,630	13,528	23,665	12,237	49,430
All Government	382,280	8,965	10,488	6,520	25,973
<b>Change from July 2002</b>					
<b>Civilian Labor Force*</b>	-27,030	350	-560	-430	-650
Persons Employed	-27,040	960	-560	-530	-130
Persons Unemployed	10	-610	-10	100	-520
Unemployment Rate	0.0%	-0.8%	0.0%	0.2%	-0.2%
<b>Total jobs of all non-farm industries**</b>	4,310	1,190	410	-70	1,520
<b>Goods Producing Jobs</b>	1,670	970	270	50	1,290
<b>Service Producing Jobs</b>	2,640	220	130	-120	230
Construction & Mining	-500	-40	30	-10	-20
All Manufacturing	2,170	1,010	240	60	1,310
Transportation, Communications & Public Utilities (TCPU)	840	-10	-30	60	20
Wholesale Trade	360	20	70	-10	80
Retail Trade	2,880	70	-90	-100	-120
Finance, Insurance, and Real Estate (FIRE)	-120	-10	160	-80	70
Services	4,770	-50	10	-20	-60
All Government	-6,090	200	10	40	250
<b>Change from August 2001</b>					
<b>Civilian Labor Force*</b>	65,300	2,560	2,270	2,280	7,110
Persons Employed	43,670	1,840	2,370	1,850	6,070
Persons Unemployed	21,640	710	-100	430	1,040
Unemployment Rate	0.6%	0.7%	-0.3%	0.6%	0.3%
<b>Total jobs of all non-farm industries**</b>	10,980	450	920	900	2,270
<b>Goods Producing Jobs</b>	-10,750	500	220	-230	490
<b>Service Producing Jobs</b>	21,730	-50	700	1,130	1,780
Construction & Mining	2,450	550	160	90	800
All Manufacturing	-13,200	-50	60	-310	-300
Transportation, Communications & Public Utilities (TCPU)	-2,240	-70	40	40	20
Wholesale Trade	-960	-150	-400	-20	-580
Retail Trade	2,090	120	160	210	480
Finance, Insurance, and Real Estate (FIRE)	2,720	-50	10	140	100
Services	21,790	-600	380	150	-60

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